

Message Text

LIMITED OFFICIAL USE

PAGE 01 KIGALI 00943 031032Z

ACTION AF-10

INFO OCT-01 ISO-00 EB-08 COME-00 AGRE-00 CIAE-00

DODE-00 PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 TRSE-00

OMB-01 IO-13 /084 W

-----059710 031058Z /23

R 011455Z AUG 77

FM AMEMBASSY KIGALI

TO AMEMBASSY BUJUMBURA

INFO SECSTATE WASHDC 5097

AMEMBASSY KINSHASA

AMEMBASSY NAIROBI

AMEMBASSY DAR ES SALAAM

LIMITED OFFICIAL USE KIGALI 943

E.O. 11652: N/A

TAGS: ETRD, BY, RW

SUBJECT: "COFFEE WAR"

REF BUJUMBURA 0822, KIGALI 931 (NOTAL)

1. I HAD OCCASION THIS MORNING TO BRACE RWANDAN DIRECTOR OF OCIR/CAFE RUHIGIRA REGARDING BURUNDI ASSERTIONS THAT RWANDA WAS DRAINING OFF THOUSANDS OF KILOS OF COFFEE THROUGH CROSS-BORDEO SMUGGLING. RUHIGIRA PROTESTED THAT NOTHING OF THE SORT WAS GOING ON. HE SAID THAT AN ATTEMPT MADE SOME MONTHS AGO TO REACH AGREEMENT WITH BURUNDI GOV'T ON COMMON COFFEE PRICE POLICY, BUT NEGOTIATIONS BROKE DOWN (HE SAID) OVER BURUNDI INSISTENCE THAT RWANDA'S PRICE BE EXACTLY THE SAME AS BURUNDI'S, WITHOUT TAKING INTO ACCOOUNT SLIGHT DIFFERENCE IN VALUE OF RESPECTIVE CURRENCIES. RWANDA THEN PEGGED ITS COFFEE OFFICIALLY AT RF 120, OFFERING SLIGHTLY MORE (2 TO 3 FRANCS) AT OCIR BUYING OFFICES OUTSIDE KIGALI INCLUDING THE ONE AT BUTARE (RF 12 EXTRA CHARGE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KIGALI 00943 031032Z

COVERS TRANSPORTATION AND PROCESSING COSTS BORNE BY OCIR, RUHIGIRA SAID.

2. I MENTIONED TO RUHIGIRA "RUMORS" THAT AS MUCH AS 5000 TONS OF BURUNDI COFFEE HAD FOUND ITS WAY INTO RWANDA THIS SEASON. HE LAUGHED AND SAID THIS WAS IMPOSSIBLE, AS THERE WAS NO ONE WHO COULD PAY PREMIUM PRICE FOR SUCH AMOUNT AND

OFFICIAL PRICE DIFFERENCE BETWEEN RWANDA AND BURUNDI WAS NOWHERE NEAR ENOUGH TO JUSTIFY RISKS OF FRAUD ON SUCH SCALE. RUHIGIRA ADDED THAT RWANDA ITSELF HAD HAD RELATIVELY POOR SEASON AND WAS NOW ABOUT 4000 TONS BEHIND IN MEETING ITS PRODUCTION SCHEDULE (9000 TONS COMPARED TO 13,000 PROJECTED FOR THIS POINT IN GROWING SEASON). HE CITED POOR WEATHER CONDITIONS LATE LAST YEAR AS CAUSE, AND WONDERED WHETHER BURUNDI RUMORS MIGHT NOT BE BASED ON PRODUCTION SHORTFALL DUE TO SAME CAUSES.

3. COMMENT: RUHIGIRA CONCEDED THAT THERE WAS INDEED SOME SEEPAGE IN COFFEE ACROSS RWANDA-BURUNDI BORDER, AS WITH SO MANY OTHER LOCALLY GROWN PRODUCTS IN THAT AREA. BUT HE WAS QUITE FLAT IN DENYING THAT FRAUD OF MAJOR SCALE WAS OCCURRING OR THAT ANYONE IN RWANDA, OCIR OR PRIVATE, WAS OFFERING PRICE INCENTIVES TO LURE BURUNDI COFFEE ACROSS BORDERS. PERHAPS SITUATION WILL BECOME CLEARER AFTER PRESIDENT BAGAZA'S VISIT THIS WEEK.

4. DRAFTER: AMB.
CRIGLER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, SMUGGLING, ALLEGATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KIGALI00943
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770277-1248
Format: TEL
From: KIGALI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197708111/aaaadqot.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4c66b350-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BUJUMBURA 822, 77 KIGALI 931
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1436335
Secure: OPEN
Status: NATIVE
Subject: COFFEE WAR
TAGS: ETRD, EPAP, BY, RW
To: BUJUMBURA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4c66b350-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009